

EXHIBIT C



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DISTRICT ATTORNEY

DISTRICT ATTORNEY – NEW YORK COUNTY

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**DISTRICT ATTORNEY VANCE ANNOUNCES MAJOR INVESTIGATION OF
ILLEGAL KNIVES IN NEW YORK**

Roughly One-Third of Manhattan Homicides Involved Knives in 2009 and 2010

*Sellers of Illegal Knives Include Home Depot and Eastern Mountain Sports; Companies Agree to Cease
Sales and Turn Over Profits for Education Campaign, Law Enforcement*

Manhattan District Attorney Cyrus R. Vance, Jr., today announced a major initiative to reduce the number of illegal knives on the streets of New York, following a large-scale investigation into the sale of illegal knives by local and national retailers doing business in New York. Despite the significant decrease in violent crime over the last decade, illegal knives are an increasingly serious problem in New York City and across the state. He was joined by City Council Speaker Christine C. Quinn and Manhattan Borough President Scott M. Stringer.

The DA's investigation found the widespread sale of knives which, with very limited exception, are illegal to sell, own or carry in the state, such as gravity knives and switchblades.

District Attorney Vance's investigation led many of the sellers, including Home Depot, Eastern Mountain Sports, Paragon Sports, and four others, to enter into deferred prosecution agreements. The agreements require the companies to turn over all profits from the sale of such knives during the past 4-year period, totaling nearly \$1.9 million to date, and to finance a campaign to educate the public about illegal knives. In addition, DA Vance announced the appointment of a District Attorney's Knife Sales Monitor, to ensure compliance of the seven companies with the terms of the deferred prosecution agreements.

"The District Attorney's Office has a responsibility to do everything it can to prevent crime in our streets and in our homes," said District Attorney Vance. "The agreements signed by these seven companies, each of whom has demonstrated good corporate citizenship by doing so, are only the beginning of an effort to ensure that illegal knives find no place in Manhattan."

Despite New York's drop in violent crime during the past decade, knife violence remains a serious problem in Manhattan. In 2009, there were 2,269 arrests involving the possession of illegal knives in Manhattan, and approximately 30 percent of that year's homicides for the borough involved a stabbing death. Last year the Office prosecuted more than 2,000 cases for possession of illegal knives. In addition, in even greater numbers, knives are used in non-fatal stabbings, in robberies and burglaries, in sexual assaults and other violent crime.

City Council Speaker Christine C. Quinn said: "I want congratulate District Attorney Vance for his successful investigation and the results of his work with retailers that stocked and sold illegal knives. Thankfully, the District Attorney's work is making New York an even safer city today. I look forward to partnering with his office in the fight against illegal knives and increasing public safety for all New Yorkers."

Manhattan Borough President Scott M. Stringer said: "Our city has gone great lengths to get guns off our streets, but illegal knives pose just as large a problem and can be just as deadly. Getting these weapons off our streets and out of stores is a great first step in turning the tide of this growing epidemic. I want to thank District Attorney Vance for his hard work on this issue, and I look forward to working with our partners in the community as we educate our residents on the need to root out this problem before violence hits our streets. I would also like to commend the retailers for being part of the solution and removing these dangerous weapons from store shelves and putting resources to good use to support community education."

John Feinblatt, Mayor Bloomberg's Chief Policy Advisor, said: "Just as we have fought hard to take illegal guns off City streets to keep New Yorkers safe, removing illegal knives from the shelves of City stores will help us continue driving crime to record lows. I would like to thank District Attorney Vance for this critically important effort to remove a threat that was hiding in plain sight. We look forward to continuing to work together to make it as difficult as possible for criminals to obtain weapons."

District Attorney Vance launched the investigation earlier this year, and undercover investigators from the DA's Office visited 41 stores throughout Manhattan, including sporting goods, hardware, army surplus, specialty retailers, and an internet source. Investigators conducted a representative survey of types of stores -- from major chains to "mom-and-pop" businesses -- at locations throughout the borough. The Office purchased 43 illegal knives from 14 of the 41 stores. Investigators purchased 31 gravity knives and 12 switchblade knives. Twenty-seven stores did not carry these knives.

After contact from the Manhattan DA's Office, all of the New York companies agreed reform their business practices -- including a prohibition on the sale of illegal knives and to turn over their entire stock of knives to the DA's Office. Upon full compliance, the DA's Office agrees to not prosecute these companies. To date, 1,343 knives have been turned over to the Office.

As part of the agreements and Office policy, nearly \$1.9 million will be distributed to the City and State: 10 percent will be given to the State (\$190K); 51 percent will be given to the City (\$969,000); and the remainder (\$741,000) set aside for our law enforcement partners. Those funds will be available to other DA's offices who want to partner with the Manhattan

DA's Office to continue this fight against illegal knives. The funds will be put into an escrow account and will be dispersed following a 60-day application period, and divided equally among those offices that apply. If all 61 counties take part, they would each receive approximately \$12,000.

An additional \$900,000 has been committed to the DA's public awareness campaign, designed to drive down knife violence across the state. In addition, Home Depot will contribute gift cards to an upcoming knife buyback campaign, also designed to get illegal knives off our streets.

In addition, DA Vance named Kroll, Inc., and managing director Federico Gebauer, as the District Attorney's Knife Sales Monitor. In that capacity, Mr. Gebauer, at no cost to the Office and the monitored entities, will ensure compliance with the terms of the agreements with the seven companies which have signed agreements with the District Attorney's Office. Mr. Gebauer, formerly First Deputy Criminal Justice Coordinator for the City of New York, has years of experience in the City's anti-firearms initiatives, and was formerly an Assistant District Attorney in New York County.

The District Attorney's Office has begun Phase II of the investigation, targeting out-of-state vendors selling to New York residents – which is a serious crime. Those companies are opening themselves to prosecution to the fullest extent of the law.

DA Vance thanked Assistant District Attorneys Dan M. Rather, Hilary Rosenberg, and Mike Kitsis for their excellent work on this investigation, under the supervision of Trial Division Chief Karen Friedman-Agnifilo, Investigation Division Chief Adam Kaufmann, and Chief Assistant District Attorney Daniel R. Alonso. DA Vance thanked the investigators who worked on this case, under the supervision Acting Chief Investigator Walter Alexander.

Additional news available at: www.manhattanda.org

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